

INTRODUCTION

Wexford County Prosecuting Attorney (PA) had a contract with the Michigan Family Independence Agency (FIA) to establish paternity and to obtain support orders for all cases where the Wexford County PA had jurisdiction. The Wexford County PA billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Wexford County PA for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Wexford County PA for the period January 1 through December 31, 1998. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We performed the audit tests that we determined were necessary to determine if costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Wexford County PA overbilled FIA for some line items, and underbilled for others. The State share of the net amount overbilled was \$172. (See Schedule A.)

Our report recommends the Family Independence Services Administration initiate the process to recoup \$172 from the Wexford County PA.

AGENCY RESPONSE

The Wexford County Prosecuting Attorney's office has reviewed all findings and recommendations included in this report, and indicated in a letter dated January 29, 2001 that they are in general agreement with the report.

FINDINGS

Personnel -Salary.

1. The Wexford County PA overbilled FIA \$534 for the same employees salary being billed in January and February 1998 in error. (See Schedule A.)

Personnel -Salary Related Expense.

2. The Wexford County PA overbilled FIA for social security taxes of \$41 related to the salary expense in finding # 1 above. (See Schedule A.)

Personnel -Health Insurance Expense.

3. The Wexford County PA underbilled FIA for health insurance expense of \$165 and retirement costs of \$173 for one employee, by using budgeted premium rates that were lower than the actual cost incurred. (See Schedule A.)

WE RECOMMEND the Family Independence Services Administration initiate the process to recoup \$172 from the Wexford County PA.

Finding #	Line Item	Year	(Over)/Under Billed Gross Amount	IV-D %	(Over)/Under Billed IV-D Amount	State %	Due (State) County
	1 Personnel	1998	\$ (534.00)	100.00%	\$ (534)		
	2 Personnel	1998	\$ (41.00)	100.00%	\$ (41)		
	3 Personnel	1998	\$ 165.00	100.00%	\$ 165		
	3 Personnel	1998	\$ 173.00	100.00%	\$ 173		
	4						

**Grand Total of the IV-D Audit
Adjustments**

\$ (237)

Calculation of the Payment Due the (State) County

Audited IV-D Amount

\$ (237)

IV-D Amount Used for the Payments Actually Made

IV-D Audit Adjustment Due (State) County

\$ (237) 72.42% \$ (172)